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Año XIV — March-October, 1953 — Nos.3-10

After the meeting of the Executive Committee of the Pan-American Commission on Intermunicipal Cooperation held in Havana, Cuba, on July 10-11, 1953, it was decided to again change the format of the "Boletin - The Municipal Digest of the Americas", taking into consideration reasons of informative character as a result of the late experience since 1951, date in which previous changes were introduced in same.

It is our desire to offer the information of municipal interest on two different editions (English and Spanish) sending to the North-American readers the news from Latin America and viceversa, with the exception of such information that we consider of general interest. In addition, the official section with the reports of the Secretariat of the Pan-American Commission on Intermunicipal Cooperation will not be a part of the text of the "Boletin", henceforth they will be published under the title of "Newsletter from I.M.O.". This "Newsletter" will be sent exclusively to the members of the Organization.

So P.A.C.I.C. issue the following: The "Inter-American Municipal Review"; the "Boletín - The Municipal Digest of the Americas"; the "Newsletter from I.M.O.", and the material edited under the serie "Publications of the Pan-American Commission on Intermunicipal Cooperation".

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Boletín

THE MUNICIPAL DIGEST OF THE AMERICAS

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August, 1953.

Cuba.

Municipal finances. An autonomous credit institution with full juridical personality has been created for an indefinite period of time to be known as "Financiera Nacional de Cuba", with its domicile in Havana and power to establish delegations throughout the national territory and appoint agents in and outside of Cuba.

The purpose of this autonomous institution will be:

a) To provide full or partial financing of works of public interest of a productive nature, that is, that will produce revenue capable of paying for the works or at least for the part financed by "Financiera Nacional de Cuba".
b) To stimulate savings on a national level.
c) To obtain the assistance of foreign savings funds for the purposes of the institution.
d) To obtain by itself or through boards created for that purpose, concessions of national, provincial and municipal public works or those promoted by private individuals.
e) To act as fiscal agent in the collection of the revenue, from the works as well as that contributed by official organs for whose benefit they are carried out and to make payments and amortization that may be necessary.
f) To enter into contracts with private banks, insurance companies, retirement funds and any other companies, corporations or persons, providing for receiving money on loan.
g) To issue securities with the specific security of the revenue assigned to each financed project or the generic funds of the institution.
h) To create low denomination bonds to stimulate popular savings, providing them with the indispensable inducement so that they may be applied to the purposes of the institution.
i) To create boards of public interest of a non profit character to act as agents of "Financiera Nacional de Cuba", and
j) To take part in the total or partial financing of reproductive public works constructed by organs of the State, the provinces, the municipalities or private individuals, provided proper security is given for reimbursement of the amount contributed by "Financiera Nacional de Cuba".

For the purpose of carrying out its objectives"Financiera Nacional de Cuba" can enter into the following operations:

1. Subscribe, float and guarantee securities issued by the administrative authorities or by concessionaires of reproductive works,
2. Enter into contracts and obtain concessions from the administrative authorities either directly or through the boards organized by "Financiera Nacional de Cuba".
3. Issue its own securities and even to secure the same with the income derived from contracts or concessions obtained for a given project.
4. Issue low denomination securities payable on the instalment plan, for the purpose of encouraging and stimulating popular savings.
5. Act as fiscal agent in cases of contracts and concessions so as to collect the income from the works and the contributive shares which for such works are to be tendered by the State, provincial or municipal administrative entities and to make payments due on said contracts or concessions.

Cuba. August, 1953.

Municipal Finances. An autonomous credit institution with full juridical personality has been created for an indefinite period of time to be known as "Financiera Nacional de Cuba", with its domicile in Havana and power to establish delegations throughout the national territory and appoint agents in and outside of Cuba.

The purpose of this autonomous institution will be:

a) To provide full or partial financing of works of public interest of a productive nature, that is, that will produce revenue capable of paying for the works or at least for the part financed by "Financiera Nacional de Cuba".
b) To stimulate savings on a national level.
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4. Issue low denomination securities payable on the instalment plan, for the purpose of encouraging and stimulating popular savings.
5. Act as fiscal agent in cases of contracts and concessions so as to collect the income from the works and the contributive shares which for such works are to be tendered by the State, provincial or municipal administrative entities and to make payments due on said contracts or concessions.

6. When it is intended to collect all or part of the cost of a given public work through a distribution of its cost within the area of influence fixed in advance, or through condemnation not only of the area occupied by the public work but also of adjacent lands,"Financiera Nacional de Cuba" may:
   a) Collect the distributive shares, subrogating itself in the place and stead of the proper administrative organization and to exercise all the rights and rights of action of proceedings for collection whith the law grants to said organization.
   b) To condemn in its name not only the real property and the improvements made thereon and the buildings to be used in the project, but also its area of influence which has been fixed when the project is approved.
   c) To act in the name and representation of the development zones in cases in which the construction to be carried out is effected by private initiative affecting a group of properties, in which case "Financiera Nacional de Cuba" will have as its security a legal mortgage upon the properties included in the area benefitted by the construction of the project and the same rights and rights of action for collection of the credits that the local administrative entity would have if it had constructed the project by public initiative.
7. Call for bids on the projects to be constructed; inspect the same and take such precautions as may be necessary in cases where "Financiera Nacional de Cuba" is the concessionaire, and to supervise the financed works when constructed by an administrative organization or a private concern.
8. To agree with the National Development Commission or other organs of the State as to the preparation of the bids for the projects to be constructed; the supervision of the same, the reception thereof and the issuance of warrants for payments with the same requisites and formalities to which all constructions handled by the National Development Commission are subject.
9. To enter into similar contracts with other proper entities that are well reputed in cases in which the National Development Commission cannot handle the preliminary work.
10. To enter into loan contracts with commercial, investment, and capitalization banks, insurance companies and any other credit institution and with private individuals, in order to apply the proceeds thereof to its purposes.
11. To obtain loans from the Agricultural and Industrial Development Bank of Cuba, either by contract or through the sale of securities of "Financiera Nacional de Cuba", said bank being authorized to operate with "Financiera Nacional de Cuba" provided such operations involve matters related to its purposes.
12. To create boards of public interest to be made up of persons representing the public institutions and civic entities which "Financiera Nacional de Cuba" may select, subject to the following conditions:
   a) The board should represent the public interests benefitted by the project.
   b) The board may not obtain profits nor have other revenue than those indispensable to meet the expenses it may incur.
   c) The members of the board shall be appointed by the Board of Directors of "Financiera Nacional de Cuba", the same to be selected from ternaries presented by the institutions they represent.
   d) Membership on the boards is honorary and gratuitous wherefore a member may receive no salary, per diem allowances or compensation of any kind.
13. To open accounts and maintain deposits with"Banco Nacional de Cuba" and with private banks.
14. To invest its capital and the revenue received from the issue of securities to encourage popular savings, when such funds are available.

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   b) To condemn in its name not only the real property and the improvements made thereon and the buildings to be used in the project, but also its area of influence which has been fixed when the project is approved.
   c) To act in the name and representation of the development zones in cases in which the construction to be carried out is affected by private initiative affecting a group of properties, in which case "Financiera Nacional de Cuba" will have as its security a legal mortgage upon the properties included in the area benefitted by the construction of the project and the same rights and rights of action for collection of the credits that the local administrative entity would have if it had constructed the project by public initiative.
7. Call for bids on the projects to be constructed; inspect the same and take such precautions as may be necessary in cases where "Financiera Nacional de Cuba" is the concessionaire, and to supervise the financed works when constructed by an administrative organization or a private concern.
8. To agree with the National Development Commission or other organs of the State as to the preparation of the bids for the projects to be constructed; the supervision of the same, the reception thereof and the issuance of warrants for payments with the same requisites and formalities to which all constructions handled by the National Development Commission are subject.
9. To enter into similar contracts with other proper entities that are well reputed in cases in which the National Development Commission cannot handle the preliminary work.
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13. To open accounts and maintain deposits with"Banco Nacional de Cuba" and with private banks.
14. To invest its capital and the revenue received from the issue of securities to encourage popular savings, when such funds are available.

15. To engage in such other operations as may be necessary for carrying out the purposes provided for in this law.

The authorized capital of "Financiera Nacional de Cuba" is $4,000,000.00 represented by 40,000 nominative shares of $100.00 each. The shares are classified into four series: Series A. 21,000 shares in charge of Banco Nacional de Cuba; Series B 6,666 shares to be subscribed by insurance companies operating in the country; Series C. 6,666 shares to be subscribed by capitalization banks and the public; Series D. 6,667 shares to be subscribed by banks stockholders of Banco Nacional de Cuba.

This law also authorizes the creation of local property owners' associations and residents associations under the generic name of "Development Zones" followed by the name of the place, to have an official character and to be set up for the purpose of encouraging the development and construction of public works for the benefit of the zone.

In assuming the office of President of this institution, Dr. Oscar García Montes, Professor of Political Economy of Havana University and former Minister of Finances, among other things, said the following:

"There has been assigned to the State the function of aiding the economy of the municipalities; but it must be admitted that said cooperation cannot be extended to all the needs required by the different localities. "Financiera Nacional" will look with special interest upon public works or works of public interest of municipal initiative and shall expect the people living in the region benefitted thereby to give it their economic and moral support."

Thus an institution has arisen in Cuba similar to the Municipal Development Bank which we propitiated and which the Fourth Meeting of the Inter-American Congress of Municipalities held in Montevideo in February of this year recommended all the Governments of America to establish and to ask the cooperation and assistance of international credit organizations.

Chile. Early in the month of August the Convention of Mayors and Councilmen of the Province was held at Valparaíso, a well deserve homage being rendered to the illustrious statesman Don Manuel Jose Irarrazabal who is known to his countrymen as the father of the autonomous municipality because, according to an editorial published in "El Diario Ilustrado", "during times especially propitious for aspirations of opportunist political predominance in that country, faced by a parliamentary majority undoubtedly beneficial to his party and with other legal advantages, he did not hesitate in selecting his aspirations and that of his followers of creating a municipal power, of democratic origin, in opposition to despotic centralism".

Resolutions were adopted regarding drinking water, housing development, municipal autonomy, economy, automobile buses, provincial airport, highways, fisheries, culture, regional abbatoir, social welfare, and the creation of the Provincial Association of Municipalities.

The Third National Conference of Municipalities took place at Santiago from August 26 to 30. "La Unión", a daily Valparaiso newspaper, in an editorial in its edition of August 25 states: "The sole mention of the Agenda of this Conference gives us the measure of its importance", and adds: "It must be agreed that the time when all the towns and cities of the country have municipalities with finances capable of developing their programs for progress and their desire for improvement to a maximum degree, all the people will enjoy better living conditions and the whole nation will benefit directly through the constructive level of the municipality".

In future edition we will report on the resolutions adopted by this Convention.